

BOARD OF TRUSTEES
The MetroHealth System

Date: July 25, 2018

Time: 8:00 a.m.

Place: The MetroHealth System Board Room

Present: Ms. Anderson, Ms. Dee, Mr. Hurwitz, Mr. McDonald, Mr. Moss, Dr. Silvers, Ms. Whiting

Staff: Dr. Boutros (via phone), Ms. Allen, Dr. Boulanger, Ms. Brown, Dr. Chehade, Mr. Jones, Ms. Kline, Mr. Phillips, Ms. Platten, Mr. Richmond, Mr. Stern, Ms. Wahl, Dr. Watts, Dr. Werner

Guests: Mr. Brian M. O'Neill, Chair, Board of Directors, The MetroHealth Foundation

MINUTES OF MEETING

The meeting was called to order by Mr. McDonald at 8:00 a.m.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

1. Minutes

The Board approved the Minutes of the Regular Meeting of May 23, 2018, and the Special Meeting, March 20, 2018. RESOLUTION 19209.

2. Consent Agenda

A. Audit Committee

1. The Board unanimously approved a new Code of Conduct, titled "This Is Who We Are", substantially in the form attached as Exhibit A, subject to certain format changes and edits which will not change the substantive terms of the Code. RESOLUTION 19210.

B. Community Engagement Committee - None

C. Diversity and Inclusion Committee - No Meeting

D. Executive Committee - None

E. Facilities and Space Committee

1. The Board unanimously approved a further amendment of the agreement with Turner Construction Company to provide additional pre-construction services to support the design assist requirements for the Campus Transformation project. The total fees for this additional work shall not exceed \$782,314 for a total amended fee amount not to exceed \$15,055,139 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19211.

2. The Board unanimously approved a lease for space to establish a community-based outpatient care location as more fully described in Attachment A. RESOLUTION 19212.

F. Finance Committee

1. The Board unanimously approved certain capital improvements and purchases, for the items, purposes, and aggregate costs as detailed in Attachment A, to be paid out of available capital funds, and subsequently reimbursed through fund sources indicated in Attachment A. RESOLUTION 19213.

G. Legal and Government Relations Committee

1. The Board unanimously approved an amendment to the Bylaws for the Board of Trustees to provide for the position of Chair-Elect to enhance the transition process in connection with the succession of Board leadership. RESOLUTION 19214.

H Nominating Committee - None

I. Patient Experience Committee - No Meeting

J. Quality and Safety Committee - No Meeting

3. President and CEO's Report

Dr. Boutros indicated his report was in the Board Book and thanked everyone for their attendance and report at the Stakeholders Meeting on June 29, 2018. The Stakeholders Meeting attendance was 50 percent greater than the prior year and had a significant impact in the community. He reported MetroHealth is diligently pursuing work on the Community Trauma Institute and continuing to collaborate with several agencies concerning opioids.

4. Nursing/Magnet Report - Melissa Kline, Chief Nursing Officer

Ms. Kline began her report by recognizing Dr. Molly McNett receiving designation as a Fellow in The Neurocritical Care Society, noting she is one of a handful of nurses receiving this designation and was recognized for her leadership as Chair of the Guideline Development Committee for The Neurocritical Care Society and for the Neurocritical Care Program she developed to train advanced practice providers (APPs) in neurocritical care with Case Western Reserve University School of Medicine. MetroHealth has expanded its partnership with the Case Western Reserve University's Frances Payne Bolton School of Nursing (CWRU Nursing School) with a new Affiliation Agreement which will give MetroHealth the ability to appoint nurses to clinical positions, noting that MetroHealth's Chief Nursing Officer (Melissa Kline) will serve as an Associate Dean for Clinical Affairs for the CWRU Nursing School at the MetroHealth campus.

5. Medical Staff

A. Report of Medical Staff President - Dr. Sandra Werner

Dr. Werner reported that the Medical Staff credentialed 23 active staff, 5 associate staff, and 13 privileged non-members for a total of 41 credentials in the last several months and the end of the academic year brought many contracts ending in resignations. Dr. Mary Vargo, Director of Cancer Rehabilitation and Electrodiagnostic Medicine in the Department of Physical Medicine and Rehabilitation (PM&R), was promoted to Professor of PM&R at CWRU, noting she is the first woman faculty in the Department of PM&R to

achieve the academic rank of Professor. Dr. Werner also stated that Drs. Alfred F. Connors, Jr. and Joseph Tomashefski have retired after long years of service to MetroHealth, and several physicians have received awards, noting Dr. Michael Raddock, a Physician with the Department of Family Practice, is being awarded the Family Medicine Educator of the Year Award from the Ohio Academy of Family Physicians on August 18, 2018, and Dr. Britt Nielsen, Associate Professor of Psychiatry and Program Director for the Clinical Child and Pediatric Psychology Residency Program, received the 2018 Helen Evans Mid-Career Faculty Development Award from the Women Faculty of the Case Western Reserve University School of Medicine. Mr. McDonald made a motion and the Board unanimously approved the Medical Staff appointments, actions and reappointments, as well as the Medical Executive Committee Minutes of May 29, 2018, and June 8, 2018.

B. Approval of Medical Staff Appointments/Actions/Reappointments - June/July 2018

1. The Board unanimously approved the Medical Staff Providers Appointments and Actions for June/July 2018. RESOLUTION 19215.

C. Medical Executive Committee Minutes - May 29, 2018, and June 8, 2018

D. Report of Case Western Reserve, School of Medicine - Dr. Patricia Thomas

There was no report from Case Western Reserve School of Medicine in Dr. Thomas' absence.

6. Audit Committee

A. Report of Committee Chairperson

Dr. Silvers began by asking Mr. Richmond to report due to the transition period with the Chair of the Audit and Compliance Committee. Ms. Wahl began her Compliance update stating that the new Code of Conduct replacing the Code of Ethical Behavior in place since the middle 1990s and updated over time will be available in print and digital format and are going to be published and distributed to all employees as part of the live MetroHealth 2018 Compliance training. A review was made of the policies and procedures and aligned with what is contained in the Code of Conduct, as well as a presentation of Compliance's recent accomplishments and activities. The new MetroHealth Ethics Line (MEL) will be introduced to enable employees and patients to report issues or problems and ask questions confidentially and anonymously and feedback will be received on those reports that was not capable in the past. The Compliance Department has been restructured and department heads are monitoring activities and reporting those and educational goals in collaboration with the Internal Audit group with positive results.

Mr. Richmond stated Jim Mylen, a Partner with KPMG and MetroHealth's Director of Internal Audit, provided an update: (1) making progress on approximately 30 internal audits scheduled for the year, noting they are on track and on Target; (2) reviewed the leveraging of data analytics to complete the internal audits, noting the capability of expanding the data findings to cover an entire population; and (3) reviewed different types of risk categories associated with the 30 internal audits, the risks being operational, financial, focused on people and culture, IT and technology, quality and safety, regulatory compliance, strategic and external. Michael Hsu, Senior Director of the IT Department, provided a cyber security update involving educational awareness of the professionals and staff as it relates to phishing or fraudulent emails, noting there is an

opportunity for improvement on opening fictitious emails. KPMG has been engaged to conduct a HIPAA risk assessment concerning cyber security. Lastly, John Croy, Director at RSM and MetroHealth's external auditor, provided an update of the construction cost review services performed by RSM such as the close out stages associated with the Critical Care Pavilion and large transformation projects and RSM's performing monthly reviews focused on different spending and invoices associated with the projects.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. 2018 Compliance Update
 - b. 2018 Internal Audit Update
 - c. Transformation Project Construction Cost Review
 - d. Cyber Security Update

7. Community Engagement Committee

A. Report of Committee Chairperson

Mr. McDonald reported an update given on the five priority areas of the Community Health Needs Assessment. Rev. Tony Minor invited Father Paul Abernathy from Pittsburgh FOCUS to discuss Community Trauma along with several other local clergy, noting that Father Abernathy's presentation was very moving and making great progress in Pittsburgh. Rev. Minor is focusing on creating a task force centered around Community Trauma in Cleveland and will report further on its progress.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Progress Update on Five Priority Areas Identified in Community Health Needs Assessment
 - b. Presentation on Community Trauma by Father Paul Abernathy, Orthodox Christian Priest and Director, FOCUS Pittsburgh

8. Diversity and Inclusion Committee - No Meeting

9. Executive Committee - No Report

10. Facilities and Space Committee

A. Report of Committee Chairperson

Mr. Jones reported to the Board in Mr. Monnolly's absence. The Committee was introduced to Rodney Elgie, the new Director of Planning Design and Construction, who comes to MetroHealth from a private sector program management company and will assist in addressing the routine capital facilities project that are non-transformation that are being performed now or will likely occur over the next four or five years while the new hospital is built. The View Road garage is still expected to be completed in September and a tour for the Board Members will be scheduled in the next few months. MetroHealth received a successful approval of the rezoning for multiple parcels and properties. An example is the Southpoint garage that is being demolished and will be the site for the new hospital; the Southpoint garage was zoned specifically for parking and the new hospital could not be built unless it was rezoned. The property bordered by Scranton Road, Valentine and near I71 is now two parcels and rezoned as IR for

Industrial Research which enables MetroHealth to build a hospital. The section of the property from Scranton, MetroHealth Drive, and I71 is zoned IR6 which allows us a 600-foot height building on the property. While MetroHealth's intention at this time is not to do that, we erred on the side of caution as we were not sure the height of the hospital during the rezoning period. The property between Valentine and MetroHealth Drive is zoned IR3 which allows a building height of 115 feet, noting that is roughly the height of the current Valentine garage. The Board Members approved some additions to the design assist contractors as additions of sub-contractors are made that are reporting to Turner Construction Company for the curtain wall, castle with concrete and the mass excavation that will result in a huge hole this Fall that will become the site of the new hospital. The widening of View Road between Scranton and Eglindale along MetroHealth's Southern and Eastern borders is being completed as the construction access road to the campus to redirect construction vehicle access from normal traffic. Karen Dethloff, Director of Facilities Management, gave an update to the current state of affairs of the Medical Center, noting several outages and repairs becoming more frequent as the existing buildings age, noting MetroHealth is somewhat in a race in building the new hospital as the current hospital continues to deteriorate. Ms. Dethloff also reported several promotions amongst her team and maintaining and retaining current staffing which shows value for the organization. Sarah O'Keefe, Director of Sustainability, has been actively engaged in moving MetroHealth's sustainability efforts forward and presented a brief overview on the concept of sustainability in health care, such as the beginning of a recycling program from Cleveland Heights to the Main Campus. Ms. O'Keefe reported on the work with the Lead Standard Leadership and Environmental Design for the new campus which is part of the Campus Transformation design as well as the WELL Certification. LEAD is sustainability for the facility, the buildings, the infrastructure and how it performs, while WELL has to do with the health and well-being of the occupants of those buildings the components it supports. She also reported our submission of a letter of interest for participation in the Cuyahoga County Aggregate Solar Project with the City of Cleveland's climate action plan which identified the Middleburg Heights site for possible participation.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Campus Transformation Update
 - b. Facilities Management Update
 - c. Sustainability Update

11. Finance Committee

A. Report of Committee Chairperson

Dr. Silvers reported the Finance Committee met on July 18, 2018, and Craig Richmond not only discussed the financials but reviewed the Investment Committee and investment strategy implementation. Accounting Pronouncements at the end of the year will be recorded on our balance sheet, noting that MetroHealth is on its way to becoming a \$1.2 billion revenue organization with approximately \$2 billion of assets and is being lead toward the path that was planned in terms of achieving targets.

Mr. Richmond stated the earnings before interest depreciation and amortization for the six months ended June 30 were approximately \$48.4 million and is 13.3 percent over the prior year, noting the increase in earnings was attributed to the growth into four Emergency Departments, the increase in patient acuity in the first quarter of 2018 due to an aggressive flu season, surgical volumes growing year over year, and continued

expansion of the pharmacy operations. Operating Income for the six months ended June 30 was \$19 million and is approximately 24 percent greater than prior years. On July 10, 2018, the Investment Committee (a subcommittee of the Finance Committee) convened after a lapse of a couple years due to the Investment Policy recently being approved by Cuyahoga County Investment/Advisory Committee. Hartland, The MetroHealth System's financial investment advisors, reviewed with the Investment Committee the investment approach and strategy, moving from fixed income and cash equivalent investments into equities. As Dr. Silvers stated earlier, Geoff Himes, Vice President of Finance, reviewed a few Accounting Pronouncements and standard updates: GASB 75 adopted in 2018 will be treated similar to GASB 68 but focus on other post-employment benefits; GASB 87 to be adopted in 2020 concerning accounting changes regarding the treatment of leases will be shown on the balance sheet; and GASB 89 to be adopted in 2020 will change the recording of interest costs to the period of time incurred.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Interim Unaudited Financial and Operational Results for the Period Ending June 30, 2018
 - b. 2018 Operating Performance Statistics and Ratios for the Period Ending June 30, 2018
 - c. Investment Approach and Implementation Strategy
 - d. Accounting Pronouncements and Standards Update

12. Legal and Government Relations Committee

A. Report of Committee Chairperson

Ms. Whiting began her report regarding the Committee meeting noting there was an update from Tracy Carter on the Ohio Legislature passing a bill which provided for MetroHealth being able to expand into eight other counties beyond Cuyahoga County which would position us to continue to serve those already being served, the ability to sustain our organization, and to assist those in areas outside of Cuyahoga County that have contacted MetroHealth, with the ability to serve others in Northeast Ohio. Ms. Carter also provided additional information and discussion concerning the ability to receive additional monies or enhanced reimbursement rates from Medicaid based on our performance.

With respect to Risk Management, MetroHealth reported two significant claims from 2017 paid in 2018 and stated MetroHealth's claim rate as excellent for an operation of our size, noting the staff is to be applauded. Dr. Boutros reported that the number of claims and number of open investigations is at an all-time low and further stated as of last year that our cost for adjusted discharge was half of that of Northeast Ohio health systems in terms of payments, litigation and insurance costs altogether.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Government Relations Update
 - b. Risk Management Report

13. Nominating Committee

A. Report of Committee Chairperson

Ms. Dee reported in Mr. Monnolly's absence. Ms. Dee indicated prior to announcing the new slate of officers that an approval of the amendment of the Bylaws of the Board of Trustees of The MetroHealth System was made to allow for the creation of a Chair-Elect who will shadow the current Chairperson this next year and take over as Chairperson upon the next term. Nominations were made for Tom McDonald as Chairperson, Vanessa Whiting as Chair-Elect and Secretary, and JB Silvers as Vice-Chairperson. Mr. McDonald informed the Board that Vanessa Whiting will join him and Dr. Boutros in their biweekly meetings to obtain interim reports concerning the management of the hospital. Mr. Phillips informed the Board that the Legal and Government Relations Committee held on June 13, 2018, proposed to amend the Bylaws to create the position of Chair-Elect with a very detailed list of duties, activities, and authority, noting that the amendment to the Bylaws of the Board of Trustees was approved earlier in the meeting as part of the Consent Agenda.

B. Non-Consent Agenda

1. Action Items

a. Election of Presiding Officers of The MetroHealth System 2018-2019

Upon motion duly made and seconded, the Board unanimously approved the following members of the Board of Trustees be elected officers of the Board for a one-year term ending March 2019:

Thomas M. McDonald - Chairperson
Vanessa Whiting - Chairperson-Elect & Secretary
J. B. Silvers - Vice-Chairperson

RESOLUTION 19216.

2. Information Items - None

14. Patient Experience Committee - No Meeting

15. Quality and Safety Committee - No Meeting

16. External Affairs Report - Elizabeth Allen, Senior Vice President, External Affairs

Ms. Allen began her report by reiterating what Dr. Boutros stated in his President's Report earlier concerning the Stakeholders Meeting held on June 29, 2018. Attendance at the Stakeholders Meeting increased approximately 50 percent and the MetroHealth Building a brighter future showing the demolition of the Southpoint garage and the building of the new hospital was shown to further promote MetroHealth's mission and vision, not MetroHealth Building a brighter future. A video had approximately 4,000 views and the full Stakeholders Meeting video had approximately 2,100 views (<https://www.metrohealth.org/about-us/annual-meeting>). To also take away the public stigma around opioid addiction, all 400 Narcan kits made available were distributed to attendees and individuals from MetroHealth's Public Safety and Office of Opioid Safety reviewed instructions on how to use the Narcan kits distributed.

MetroHealth launched a new website since the former website was five years old. Two major changes to the website that should improve the patient experience are improved physician directory search functions and scheduling online appointments with physicians for primary care. The Dr. Martin Luther King Jr. The Dream Endeavor Series that MetroHealth is jointly hosting with Cuyahoga Community College began with the first session highlights from a Conversation with Rev. Otis Moss Jr. being held on June 19, 2018, and moderated by Leon Bibb, with Reverend Otis Moss Jr. discussing his personal experiences with Dr. Martin Luther King Jr., including Dr. King's officiating the wedding ceremony for Dr. and Mrs. Moss. Since MetroHealth announced its adoption of an Open Table model in April 2018 to improve the health of the community and has committed to launch 15 Tables to provide a support system resources to those in need of creating change in their lives, Ms. Allen reported that 43 commitments have been received as well as a few companies showing interest in sponsoring a whole table.

17. Foundation and System Philanthropy Report - Kate Brown - President, The MetroHealth Foundation and MHS Chief Development Officer

Ms. Brown provided two updates not included in the President's Report. Food is Medicine is a program that MetroHealth has been focused on developing the last year whereby a select group of patients would be prescribed food as part of their post-discharge medical plan and determining the impact on the patient's health. Mt. Sinai Health Care Foundation has shown interest in providing support for this program along with a partnership formed with the Cleveland Food Bank. The pilot program will be a year-long period of time being monitored through Epic and would begin with approximately 100 patients who have been an inpatient diagnosed with one of the three chronic diseases: diabetes, hypertension or chronic heart failure; these patients will be referred to MetroHealth's new pantry/grocery store located in the Outpatient Pavilion and will develop a partnership with a dietitian who will provide consultation and support in selecting fruits, vegetables, and healthy durable goods for consumption.

Ms. Brown stated that Brian O'Neill, who had been introduced by Mr. McDonald at the beginning of the meeting, is the new Chair of The MetroHealth Foundation. She stated that a survey had been administered at the end of 2017 to all Foundation Board members and the focus over the next 12 to 18 months will start with engaging the Foundation's whole Board beginning with a retreat to be held in November 2018. Dr. Kathryn Teng and Dr. Joseph Hanna were welcomed to the Foundation Board at the main meeting held on May 31, 2018. Ms. Brown also discussed the Foundation's campaign of raising \$100 million, \$40 million focusing on "Capital" that will support development primarily of the green space that will engage the community and \$60 million toward programs structured around health equity such as Food is Medicine, school health, Nurse Family Partnership, building the endowment in support of our academic mission, and engagement of the community.

Mr. McDonald informed the Board that not only is The MetroHealth Foundation Board having a retreat, but The MetroHealth System Board of Trustees had been discussing a self-assessment retreat for a while, and the System Board retreat was held on July 19 and 20, 2018. He noted the self-assessment survey completed with the assistance of The Governance Institute prior to the System Board retreat revealed the System Board needs some improvement such as communication with each other and understanding the Medical Staff's credentialing process and, to that end, the System Board will engage a consulting firm to do a further assessment. Another announcement made by Mr. McDonald was that AJC Cleveland named Dr. Akram Boutros the recipient of the 2018 Richard H. Adler Community Leadership Award and in Dr. Boutros' honor would encourage The MetroHealth System to invest in a promotional advertisement for the October 15, 2018, presentation at the visionary level and requested a motion.

Upon a motion duly made and seconded, the Board unanimously agreed and approved that it is appropriate and in the best interests of MetroHealth that MetroHealth participates in a sponsorship donation for the Tribute Committee of the Richard H. Adler Community Leadership Award in conjunction

with AJC Cleveland recognizing Dr. Boutros' leadership at MetroHealth in connection with its impact on the community in making this award. RESOLUTION 19217.

A motion was unanimously passed by roll call vote to go into Executive Session to discuss trade secrets and confidential legal communications regarding pending litigation.

Following the Executive Session, the meeting reconvened in open session at approximately 10:00 a.m.

18. Other Board Items

1. Approval to Further Amend the Architectural Services Agreement with HGA Architects and Engineers, LLC as the Master Architect for Campus Transformation

The Chair reviewed with the Board the recommendation to further amend the agreement with HGA Architects and Engineers, LLC as the Master Architect for the Campus Transformation that had been reviewed in Executive Session and, there being no further questions, proposed the following resolution.

The Board unanimously approved the further amendment of the agreement with HGA Architects and Engineers, LLC to provide additional architectural and engineering services for the Campus Transformation project. The total fees for this additional work shall not exceed \$634,018, for a total amended fee amount not to exceed \$30,988,224 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19218.

2. Approval of Modifications to Executive Compensation Methodology

The Chair reviewed with the Board the modifications to the executive compensation methodology that had been reviewed in Executive Session and, there being no further questions, proposed the following resolution.

The Board unanimously approved modifications to the executive compensation methodology for an overall executive compensation program as such programs are customary and usual in the nonprofit hospital field in Northeast Ohio and Sullivan Cotter had advised MetroHealth that these modifications are appropriate and reasonable. RESOLUTION 19219.

The meeting adjourned at approximately 10:30 a.m.

NEXT MEETING: September 26, 2018 (WEDNESDAY) - 8:00 a.m.

The MetroHealth System

Respectfully submitted,

Thomas McDonald, Chairperson

Akram Boutros, M.D., FACHE
President and Chief Executive Officer